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FOR IMMEDIATE RELEASE:

**MARION POLICE OFFICER SENTENCED TO FEDERAL
PRISON FOR ROLE IN MORTGAGE FRAUD SCHEME**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that ROBERT E. CARTER, 26, Marion, Indiana, was sentenced to 10 months' imprisonment yesterday by U.S. District Judge Sarah E. Barker following his guilty plea to two counts of money laundering. This case was the result of a four year investigation by the Internal Revenue Service, Postal Service, and Federal Bureau of Investigation working on the United States Attorney for the Southern District of Indiana Mortgage Fraud Task Force.

ROBERT CARTER, who is a Marion Police Officer, was the sixth of ten defendants named in an indictment to be sentenced by Judge Barker in connection with the charges arising from a mortgage fraud scheme that involved obtaining fraudulent loans on more than 50 properties in the Indianapolis and Marion, Indiana area. Three of the Defendants charged went to trial and were convicted. The scheme resulted in a loss to a Louisville bank of \$3.8 million

dollars. Valerie McNair, a co-defendant in this case, introduced CARTER to American Savings Mortgage Company which was owned by Kenneth McKinney and Pamela Martinez. McNair recruited persons to buy properties at inflated prices in exchange for paying them approximately \$5,000 per property they bought. The payment to the buyers was made through a kickback scheme in which the proceeds from the loans were distributed among the members of the conspiracy. CARTER's role in the scheme was the buyer of 8 homes in the City of Marion. CARTER received \$48,000 in kickbacks after the loans were closed. CARTER plead guilty to money laundering in connection with receipt of those funds.

At sentencing, Judge Barker stated, "As a police officer no one could have known better that what you were doing was wrong."

According to Assistant United States Attorneys Donna R. Eide and James M. Warden, who prosecuted the case for the government, Judge Barker also imposed 2 years' supervised release following CARTER's release from imprisonment. During the period of supervised release, CARTER must pay a fine of \$2000.

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